


Housing and Economic Market Update

June 2015

Housing overview

Residential real estate underpins Australia's wealth

 **Residential Real Estate**
\$5.9 Trillion

 **Australian Superannuation**
\$2.0 Trillion

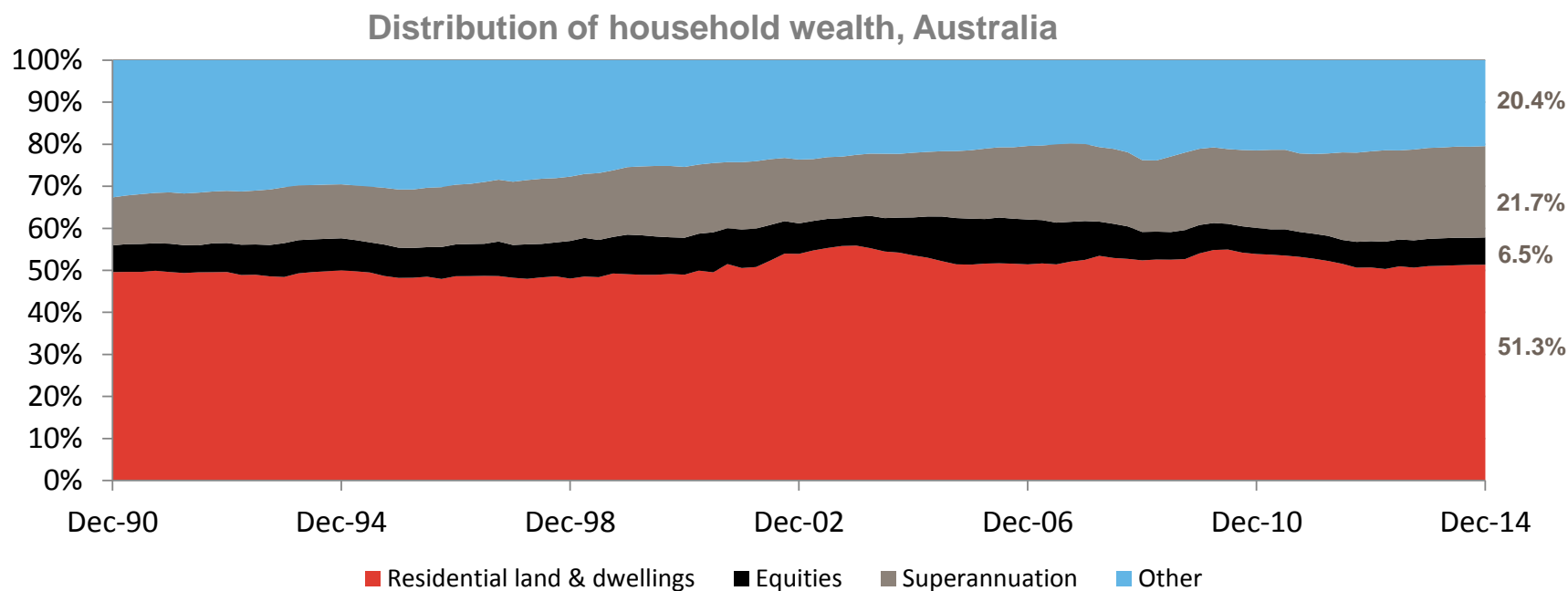
 **Australian Listed Stocks**
\$1.7 Trillion

 **Commercial Real Estate**
\$0.7 Trillion



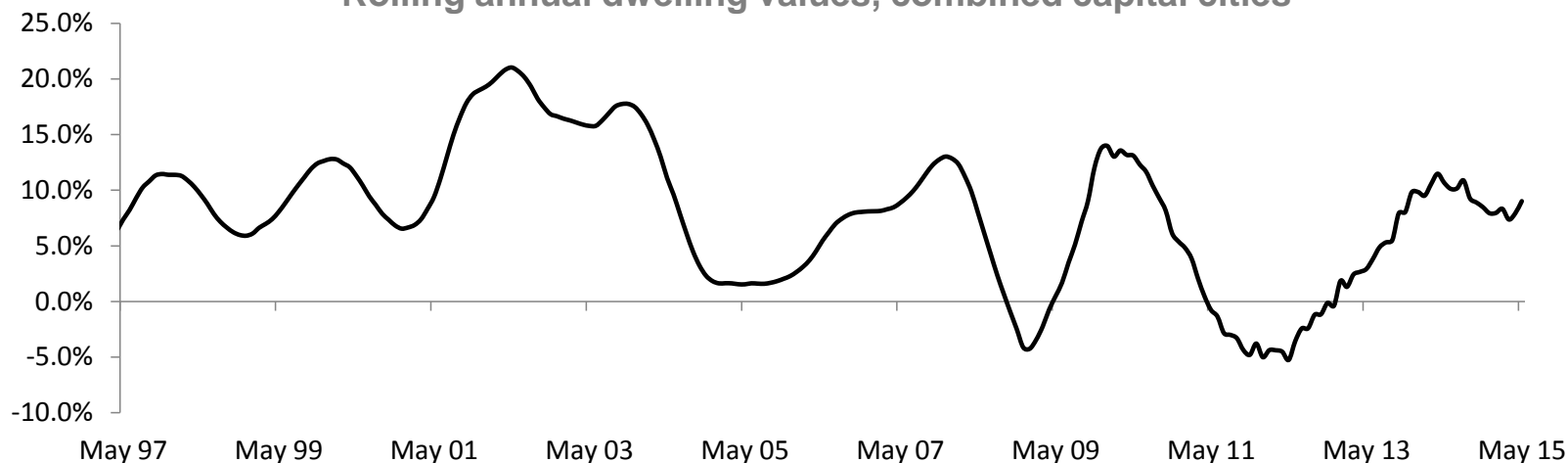
As at June 2015

Residential real estate underpins Australia's wealth



The rate of annual growth has rebounded to its fastest pace since September 2014

Rolling annual dwelling values, combined capital cities



Median Prices



\$600,000

\$504,000

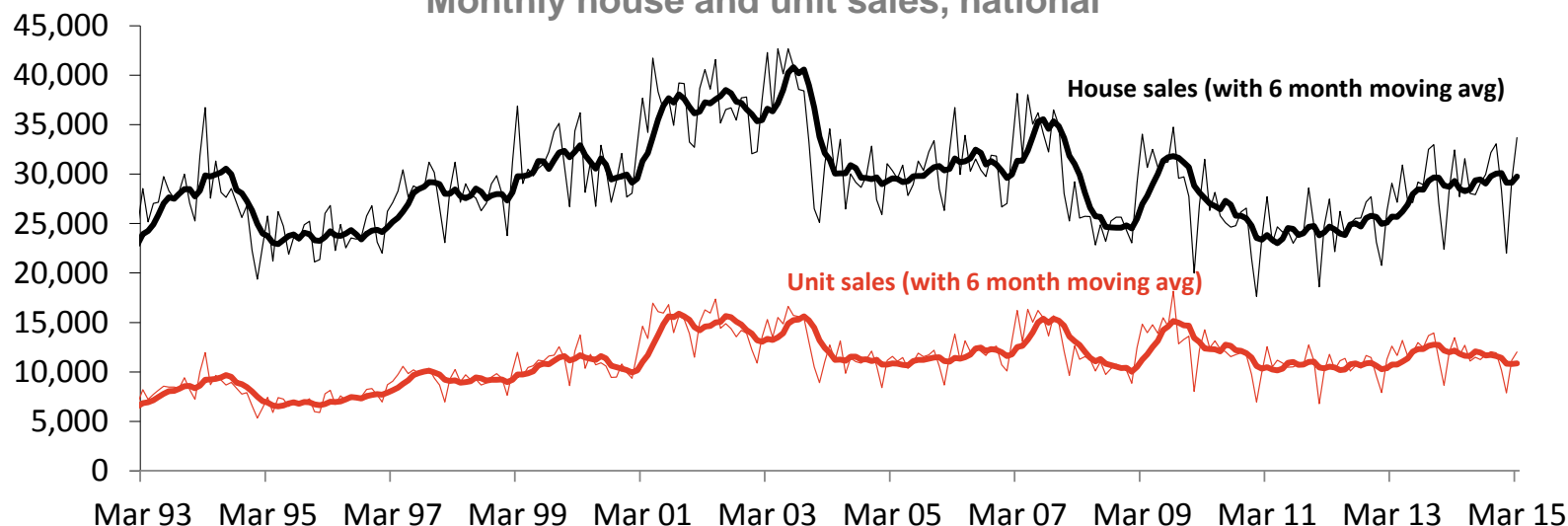
Capital Gain

	Houses	Units	Dwellings
Past 12 months	9.6%	5.3%	9.0%
Annual over five years	3.2%	2.6%	3.1%
Annual over ten years	5.2%	4.2%	5.1%

CoreLogic's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit www.corelogic.com.au/indices

Turnover: transaction volumes are broadly level with a year ago

Monthly house and unit sales, national



Annual Sales

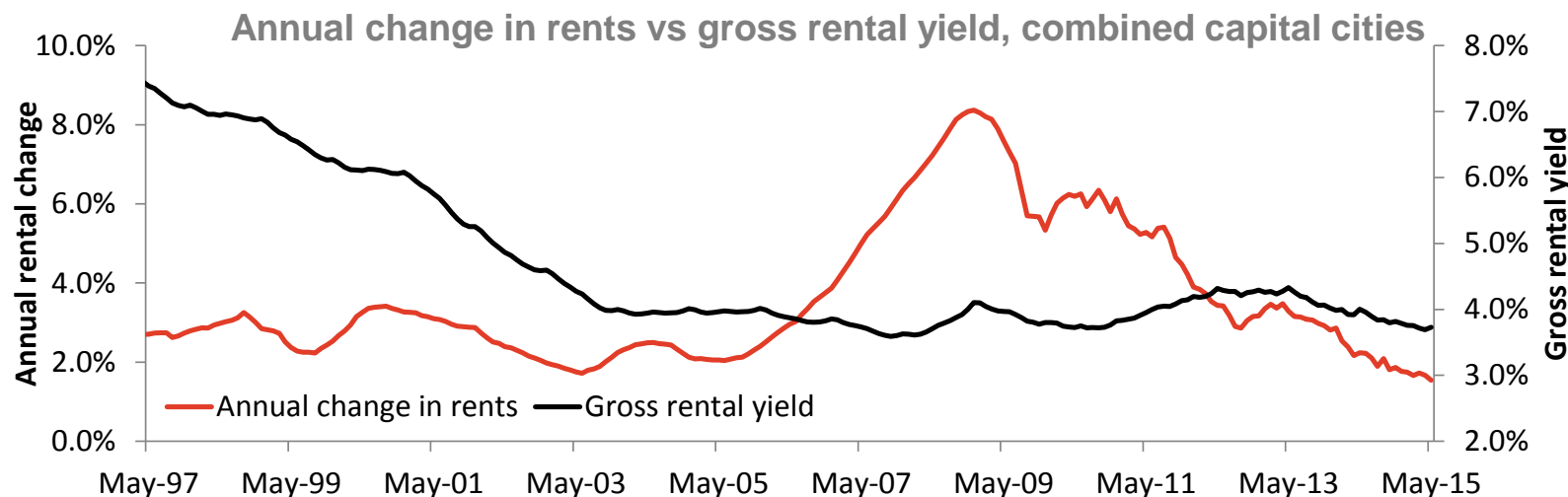
	Year to Mar 2015	Year to Mar 2014	% change
Houses	352,887	346,513	1.8%
Units	135,148	146,804	-7.9%
Dwellings	488,026	493,317	-1.1%

YoY % change in sales, states and territories

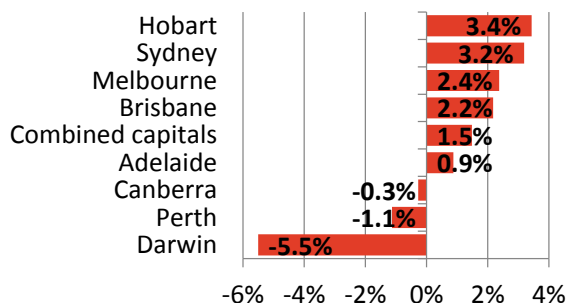


Note the most recent 8 months worth of sales is modelled based on historical sales levels due to the lag associated with collecting sales records.

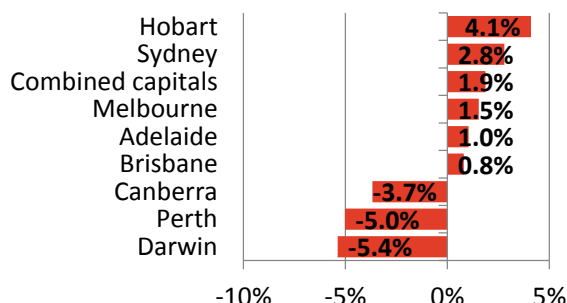
Rental rates are increasing at their slowest pace on record



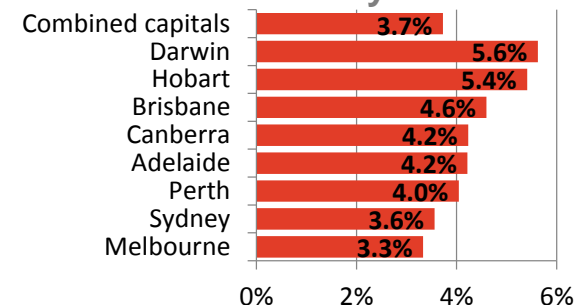
Annual change in house rents



Annual change in unit rents



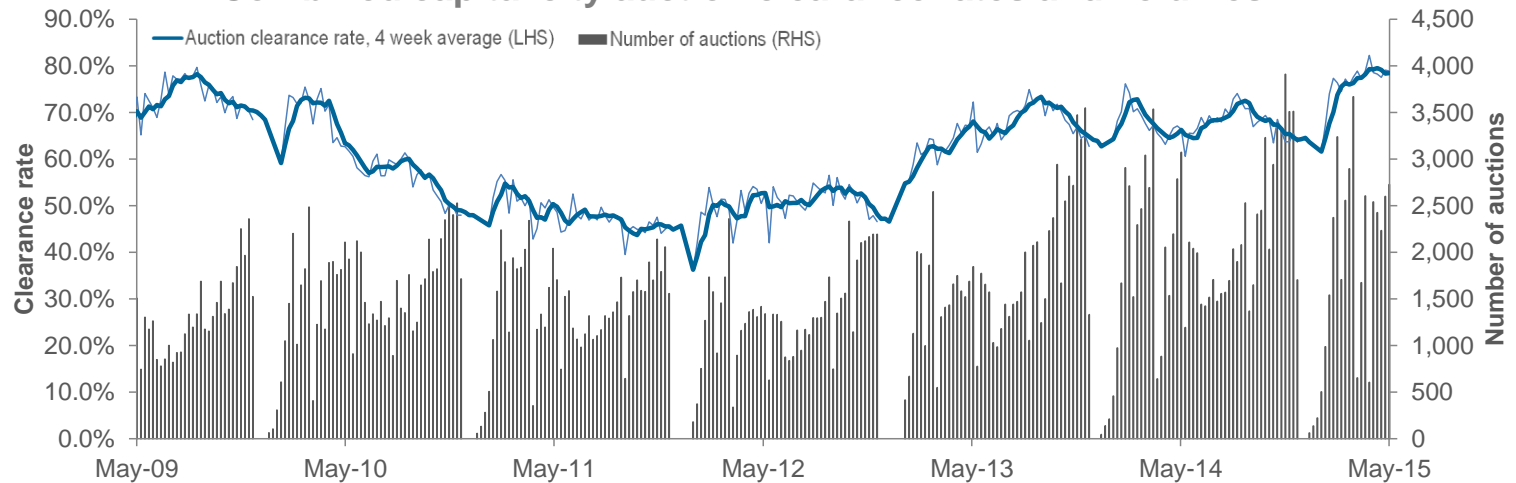
Gross rental yields



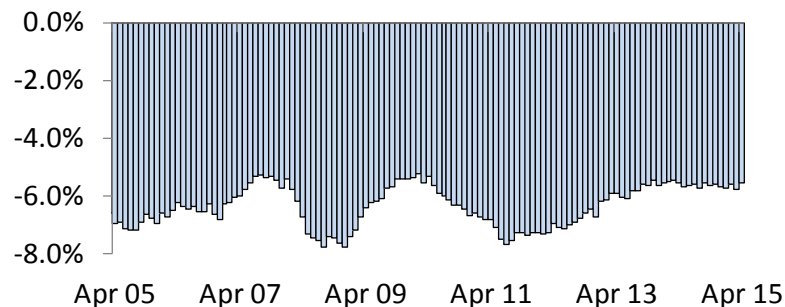
CoreLogic's suite of rental statistics are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally.

Vendor metrics: auction clearance rates have eased slightly from their record highs

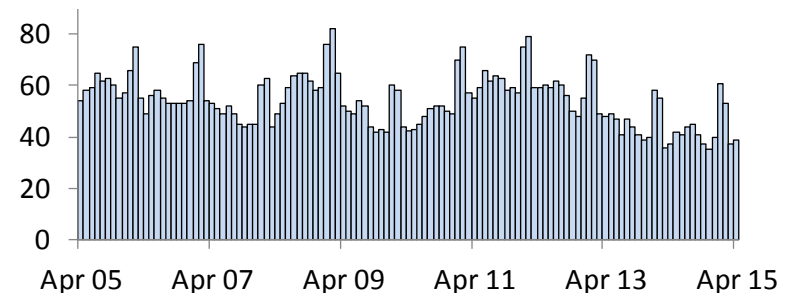
Combined capital city auction clearance rates and volumes



Avg vendor discount, combined capitals



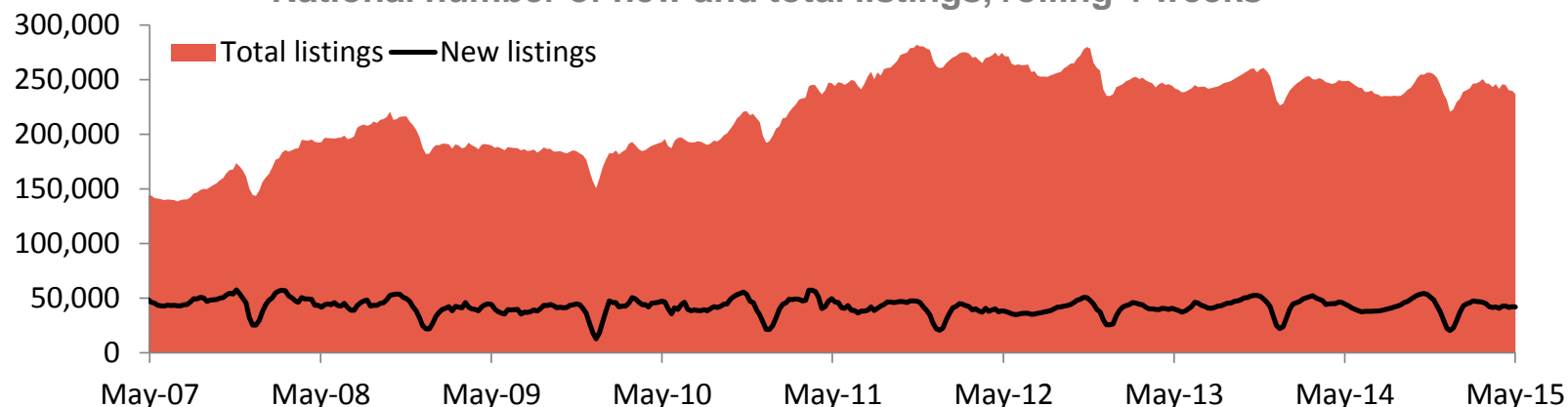
Avg time on market, combined capitals



CoreLogic's suite of vendor metrics are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. Note that we typically see a seasonal peak in average time on market each year in January and February.

Listings: listing numbers are trending lower and are well down on a year ago

National number of new and total listings, rolling 4 weeks



State and territory property listings

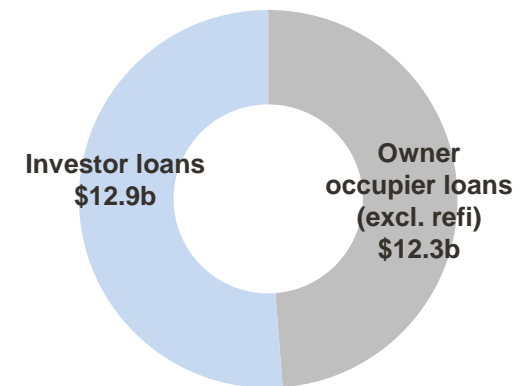
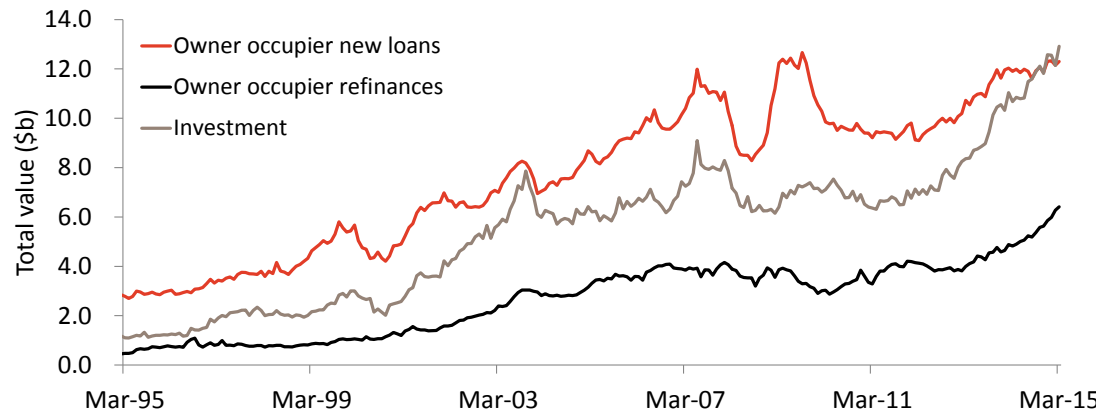
State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	11,336	-11.5%	51,385	-15.7%
Vic	11,169	3.9%	56,373	-4.4%
Qld	9,720	-2.0%	63,891	-0.7%
SA	2,700	-8.6%	16,706	-0.3%
WA	5,336	-11.9%	33,806	2.8%
Tas	916	-13.4%	10,532	-3.0%
NT	360	15.8%	2,074	35.0%
ACT	493	-6.5%	1,953	-19.2%
National	42,030	-5.3%	236,720	-4.8%

Capital city property listings

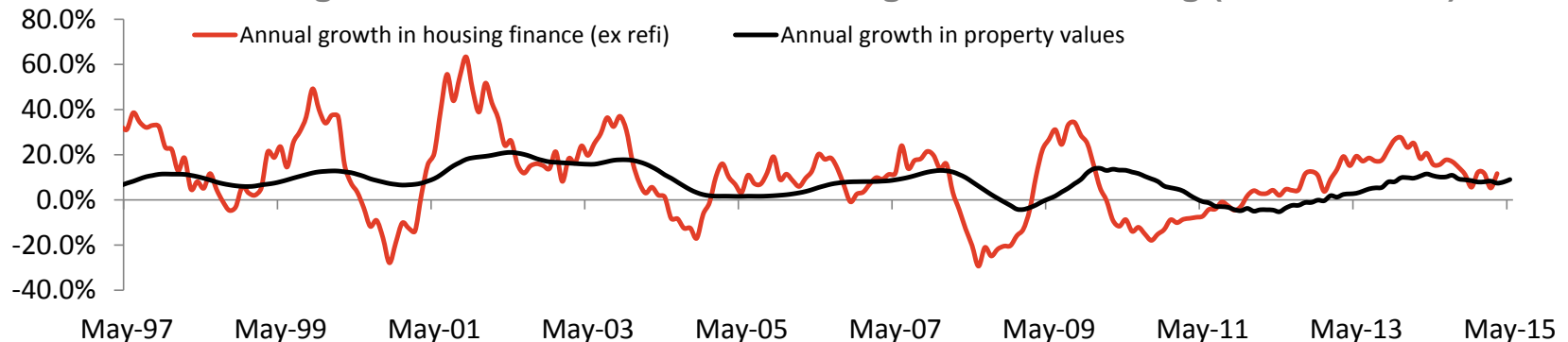
Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	6,889	-14.3%	16,662	-24.6%
Melbourne	7,838	2.2%	29,014	-10.0%
Brisbane	4,191	0.0%	18,322	-1.7%
Adelaide	1,878	-11.0%	7,637	-5.0%
Perth	3,857	-13.2%	19,479	10.8%
Hobart	357	-19.4%	2,789	-11.3%
Darwin	266	9.9%	1,543	33.8%
Canberra	489	-5.4%	1,904	-19.6%
Combined capitals	25,765	-6.8%	97,350	-7.5%

The value of investor mortgage originations continues to outweigh owner occupier loans

Value of housing finance commitments – monthly, national

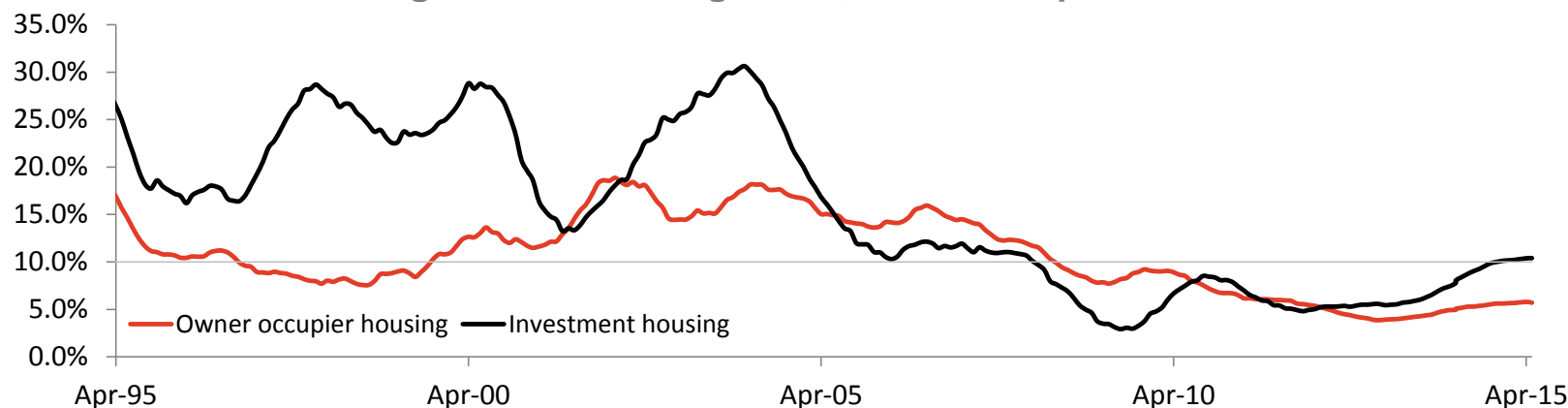


Annual change in home values vs annual change in home lending (ex refinances)

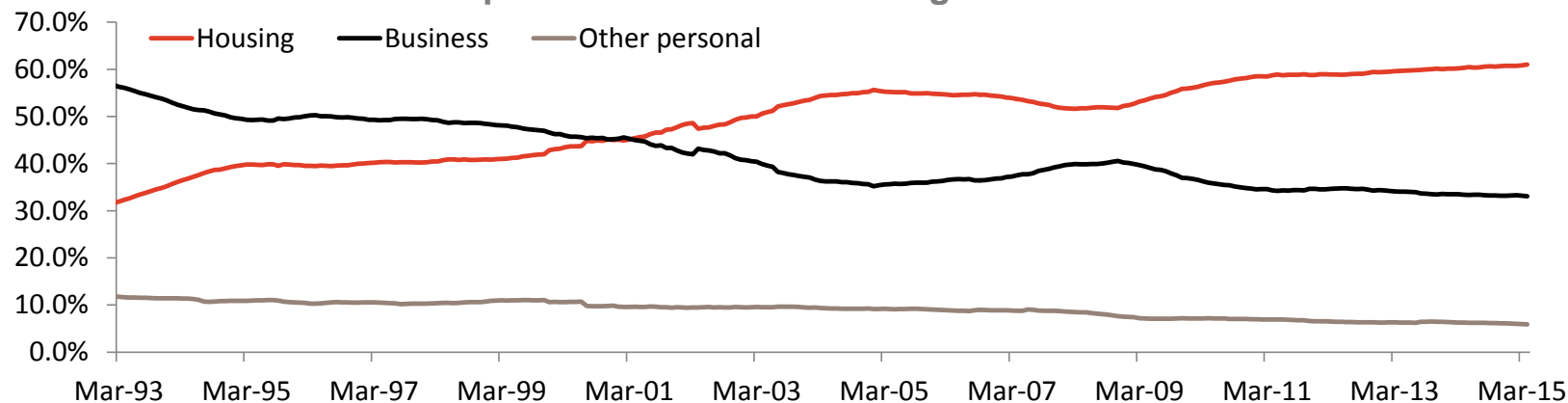


Total investor housing credit has increased by 10.4% over the past year

Annual change in total housing credit, owner occupiers vs investors

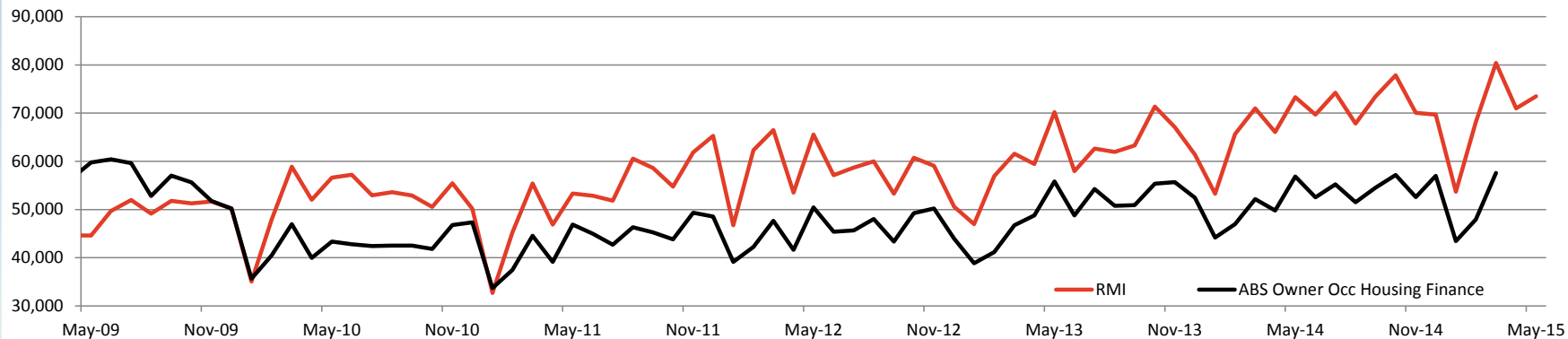


Proportion of total outstanding credit to ADIs

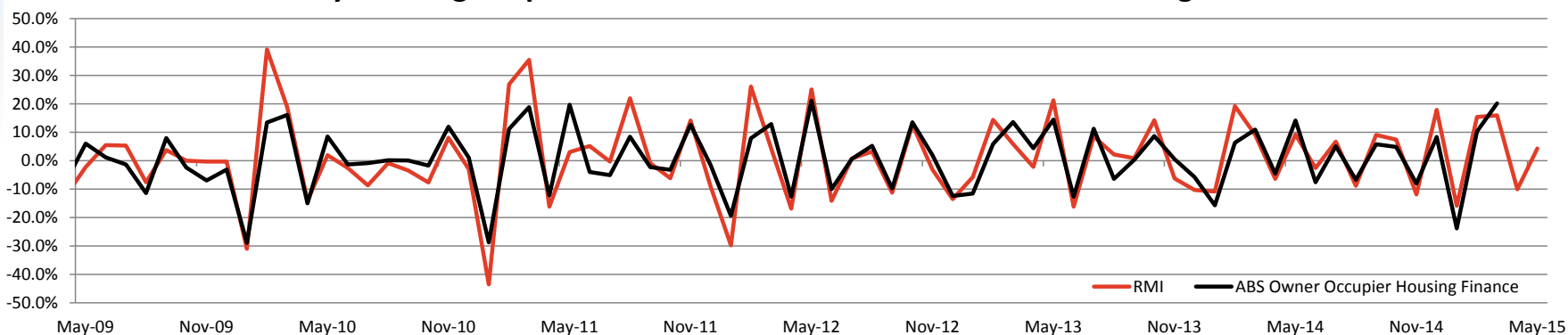


CoreLogic Mortgage Index indicates a bounce in mortgage related activity in May

Number of platform events v Number of owner occ housing finance commitments



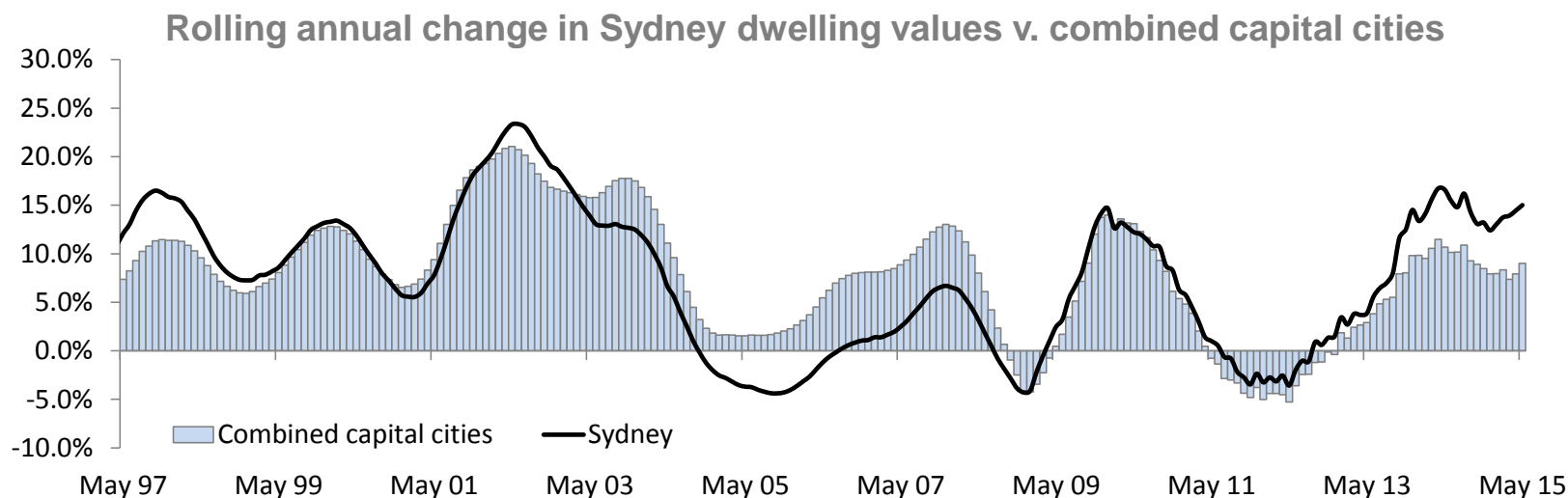
Monthly % change in platform events v Number of owner occ housing finance commitments



CoreLogic's Mortgage Index measures valuation activity across RP Data platforms, which more than 90% of ADI valuation requests nationally use, providing an almost real time indicator for how much mortgage activity is taking place. For more information, contact RP Data via email: ask@corelogic.com.au

Capital city housing market indicators

Sydney: annual home value growth has rebounded to its fastest pace since August 2014



Median Prices



\$880,000

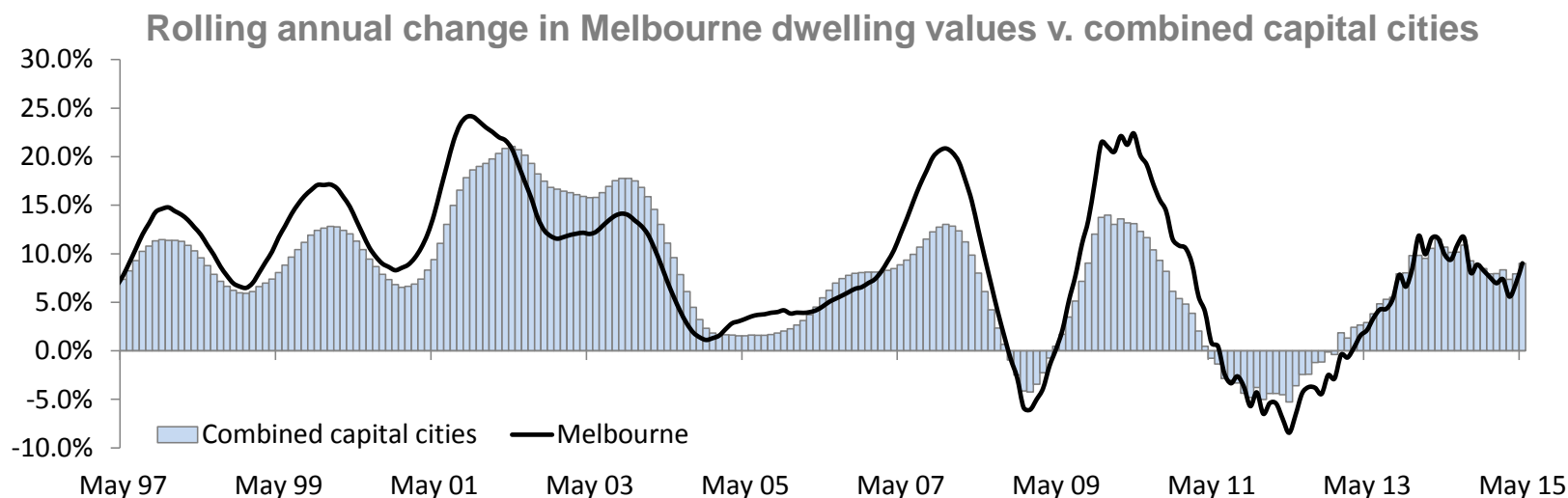
\$638,000

Capital Gain

	Houses	Units	Dwellings
Past 12 months	16.4%	8.8%	15.0%
Annual over five years	6.6%	4.7%	6.3%
Annual over ten years	5.2%	4.1%	5.0%

RP Data's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit www.corelogic.com.au/indices

Melbourne: capital gains for houses is substantially outpacing growth for apartments



Median Prices



\$620,200

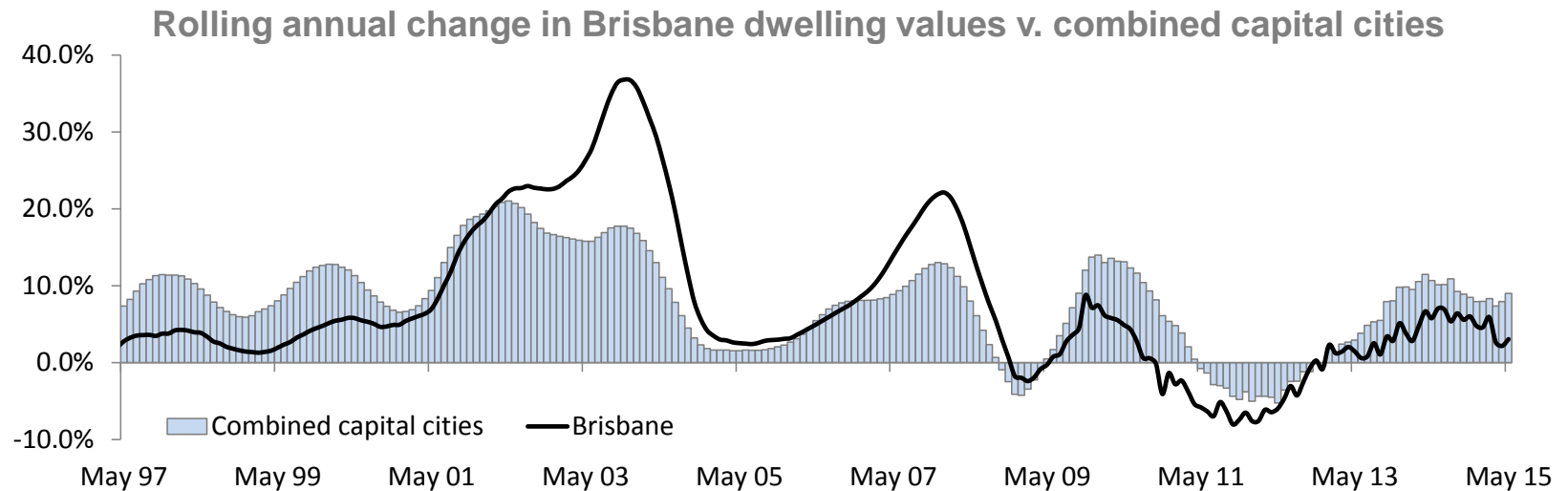
\$480,000

Capital Gain

	Houses	Units	Dwellings
Past 12 months	9.8%	2.9%	9.0%
Annual over five years	2.7%	0.9%	2.5%
Annual over ten years	6.4%	4.6%	6.2%

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Brisbane: capital growth conditions remain relatively soft



Median Prices



\$490,000

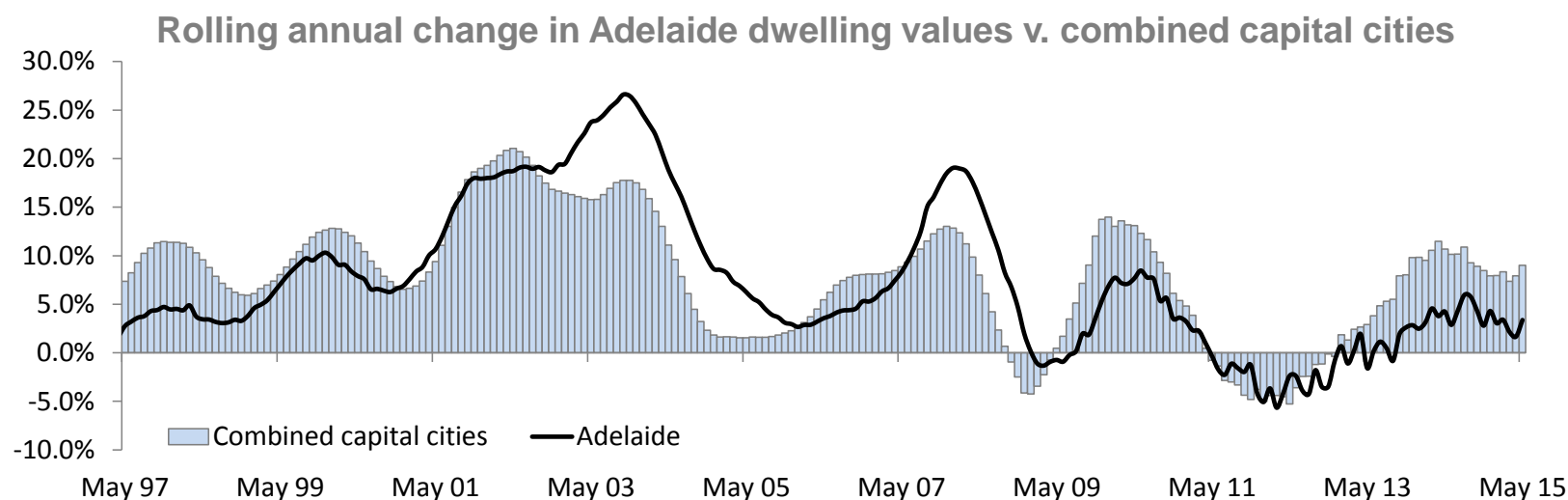
\$393,500

Capital Gain

	Houses	Units	Dwellings
Past 12 months	3.2%	2.0%	3.1%
Annual over five years	-0.5%	0.4%	-0.4%
Annual over ten years	3.5%	3.6%	3.5%

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Adelaide: value growth continues at a very moderate pace



Median Prices



\$420,000

\$342,000

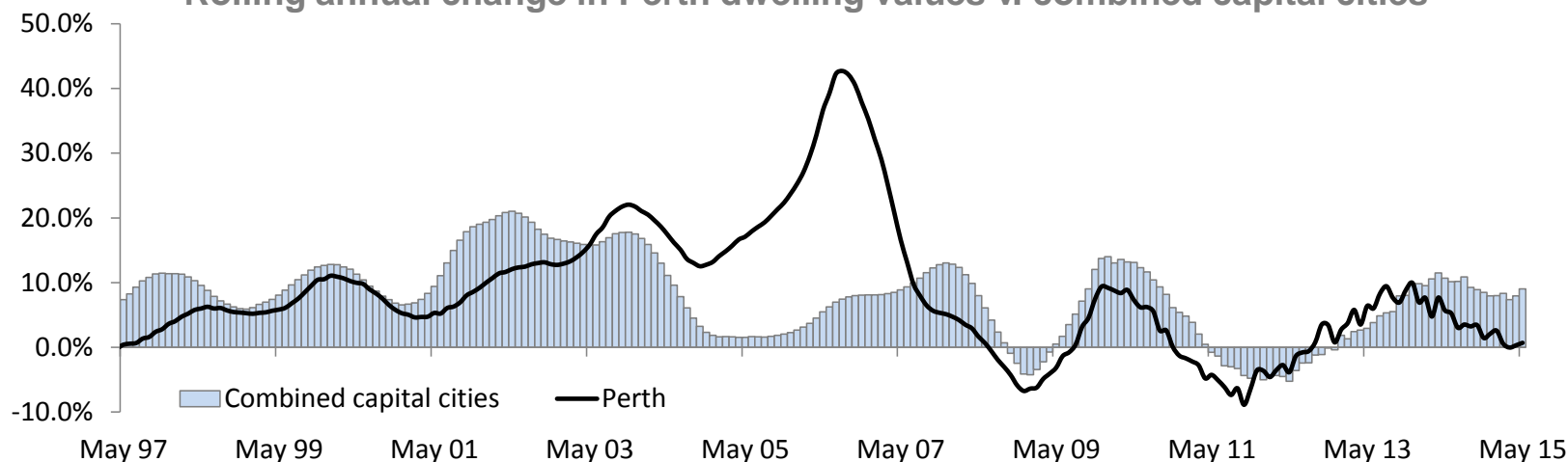
Capital Gain

	Houses	Units	Dwellings
Past 12 months	3.5%	1.8%	3.4%
Annual over five years	0.8%	-1.1%	0.6%
Annual over ten years	3.7%	3.4%	3.7%

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Perth: market conditions have slowed over the past year with values barely increasing

Rolling annual change in Perth dwelling values v. combined capital cities



Median Prices



\$530,000

\$435,000

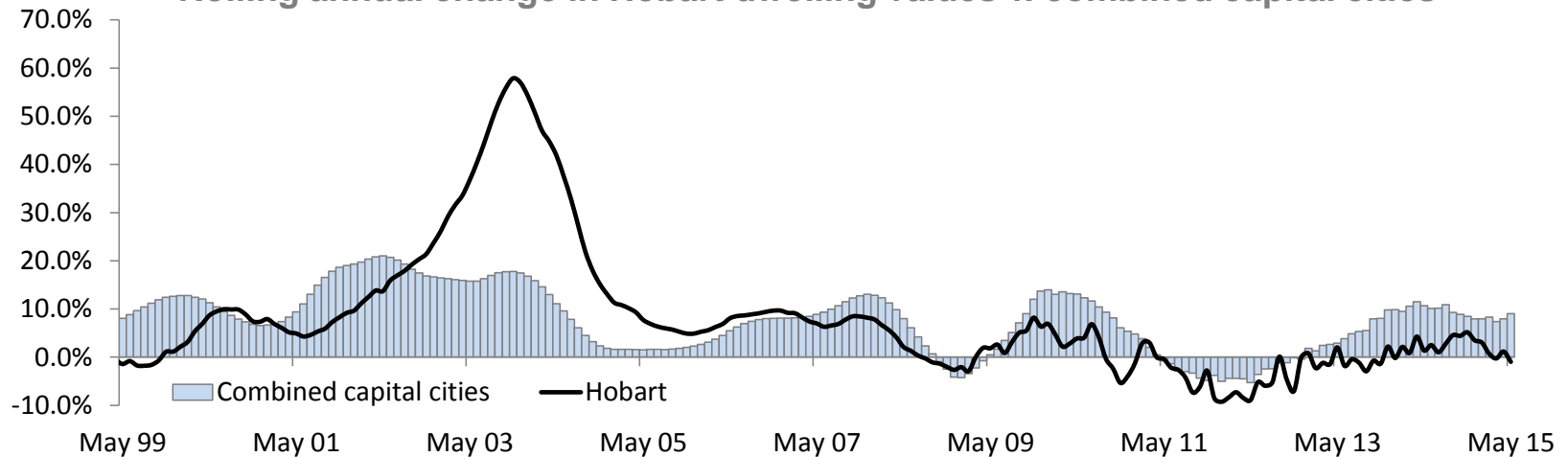
Capital Gain

	Houses	Units	Dwellings
Past 12 months	1.0%	-4.0%	0.7%
Annual over five years	0.9%	0.6%	0.8%
Annual over ten years	5.8%	4.8%	5.8%

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Hobart: the growth momentum has dissipated recently and values are now lower over the year

Rolling annual change in Hobart dwelling values v. combined capital cities



Median Prices



\$359,000

\$265,000

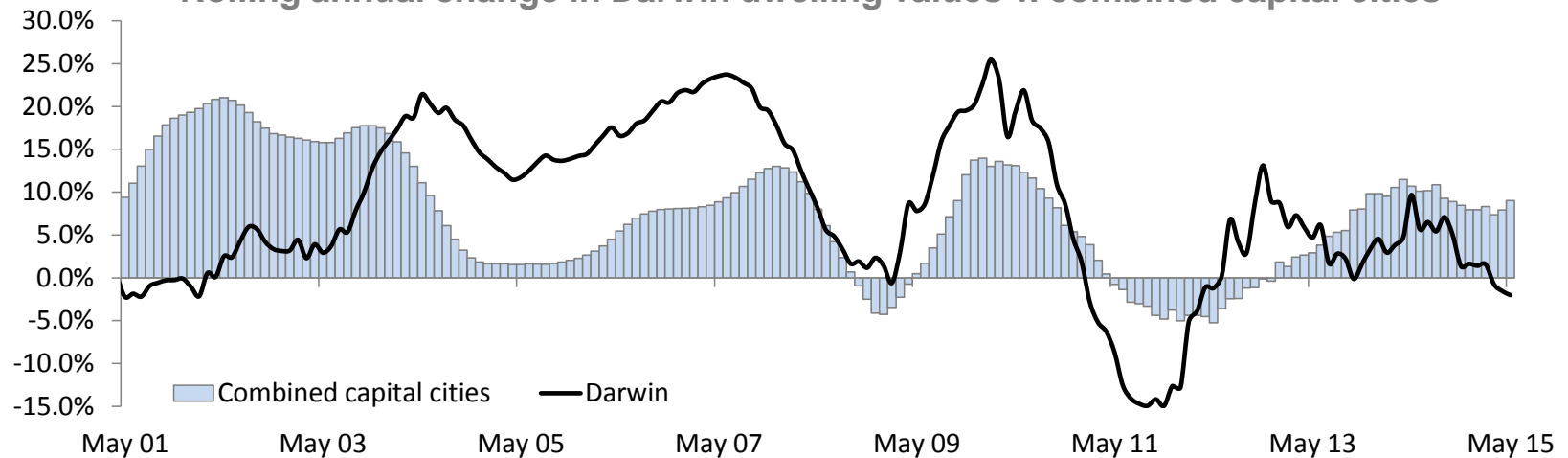
Capital Gain

	Houses	Units	Dwellings
Past 12 months	-0.6%	-4.6%	-1.0%
Annual over five years	-1.5%	-1.1%	-1.5%
Annual over ten years	1.5%	1.2%	1.5%

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Darwin: home values have recorded the largest decline of any capital city over the past year

Rolling annual change in Darwin dwelling values v. combined capital cities



Median Prices



\$572,500



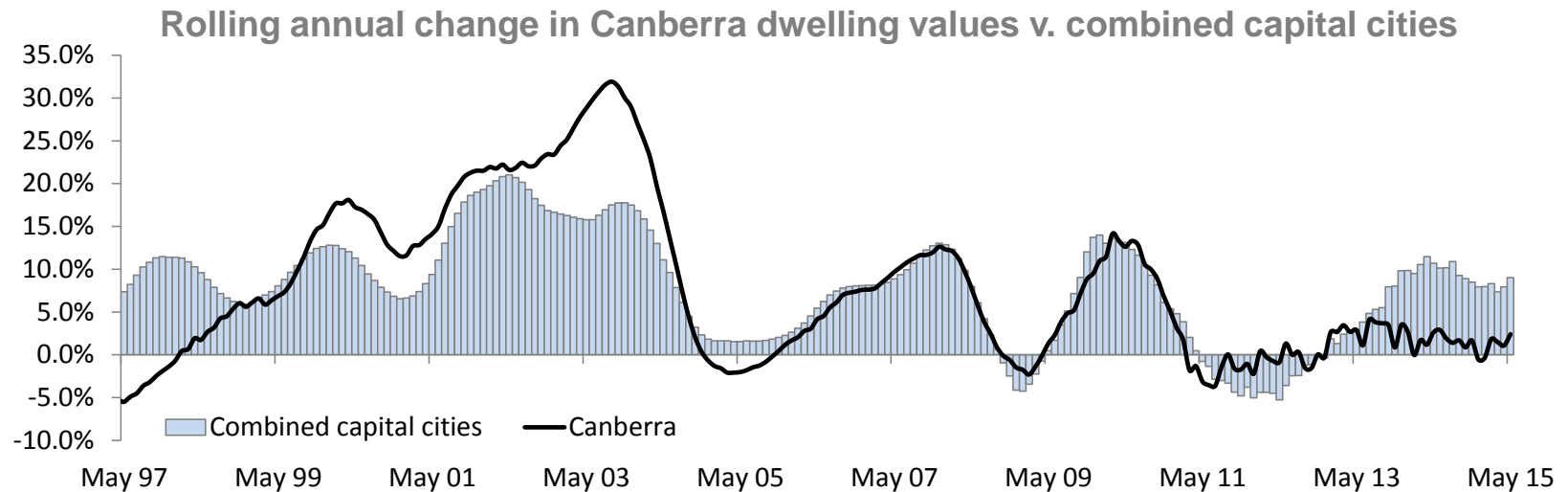
\$465,000

Capital Gain

	Houses	Units	Dwellings
Past 12 months	-1.6%	-4.0%	-2.0%
Annual over five years	0.2%	0.6%	0.3%
Annual over ten years	7.6%	6.4%	7.4%

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Canberra: growth has been sluggish over recent years but is showing some recent improvement



Median Prices



\$588,000



\$409,700

Capital Gain

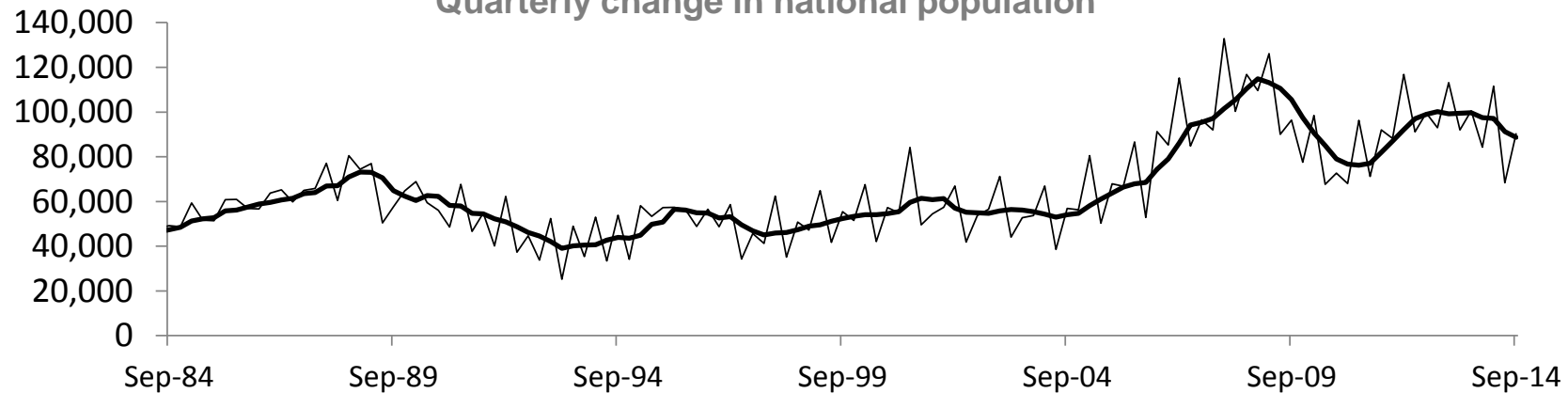
	Houses	Units	Dwellings
Past 12 months	2.9%	-3.9%	2.4%
Annual over five years	0.9%	-1.0%	0.8%
Annual over ten years	4.0%	2.4%	3.9%

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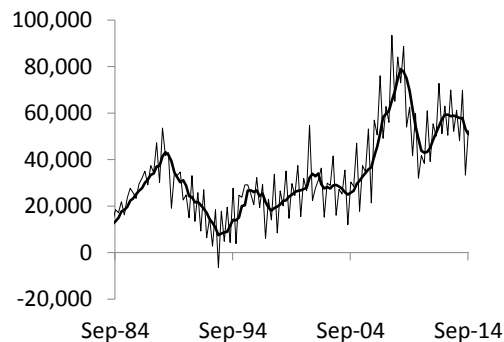
Macro economic and demographic indicators

Housing demand: population growth is slowing as overseas migration winds down

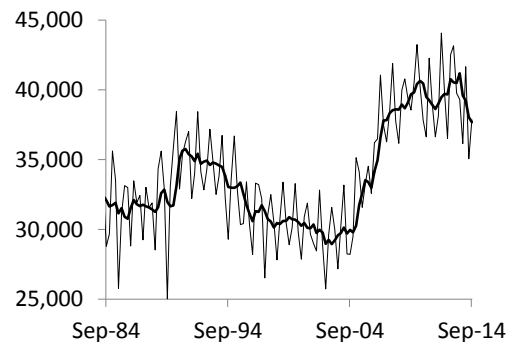
Quarterly change in national population



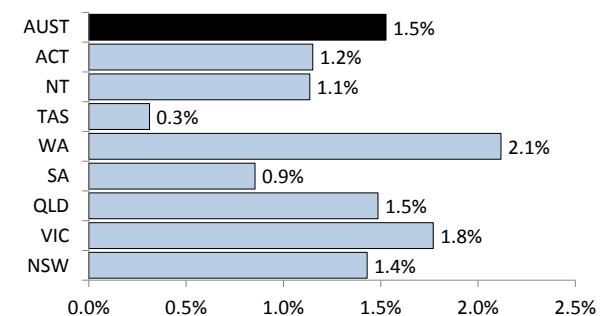
Net overseas migration



Natural increase

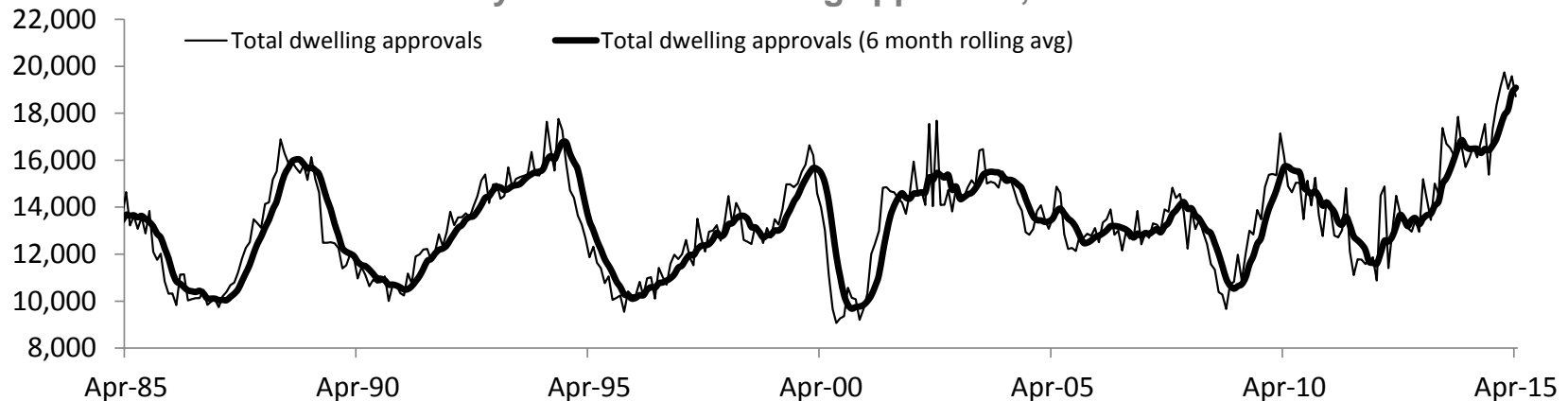


Annual change in population

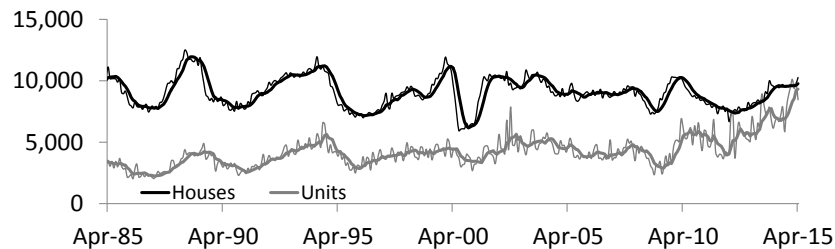


Housing supply: approvals have eased from record highs but they remain at elevated levels

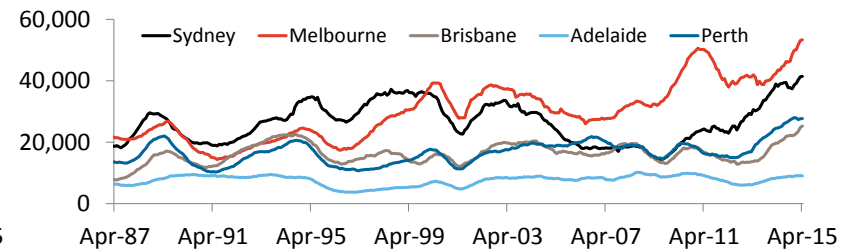
Monthly number of dwelling approvals, national



National dwelling approvals, houses v units

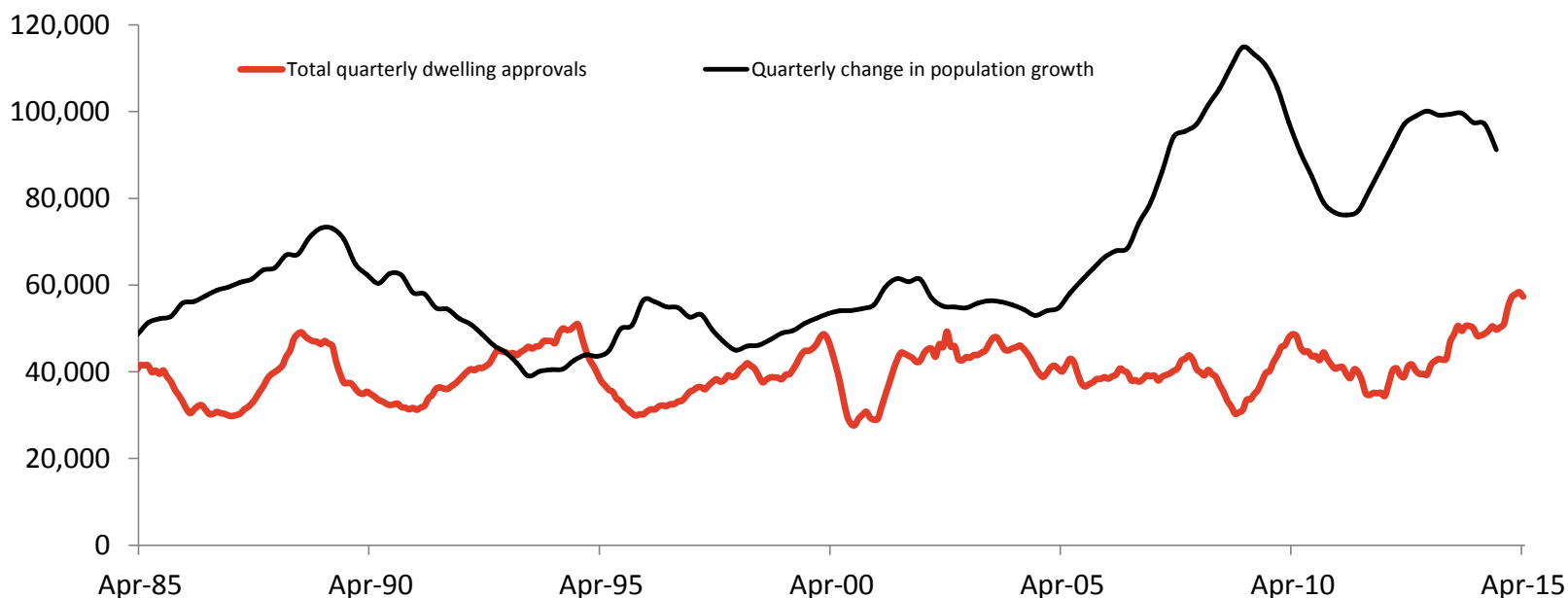


Major capital city annual approvals



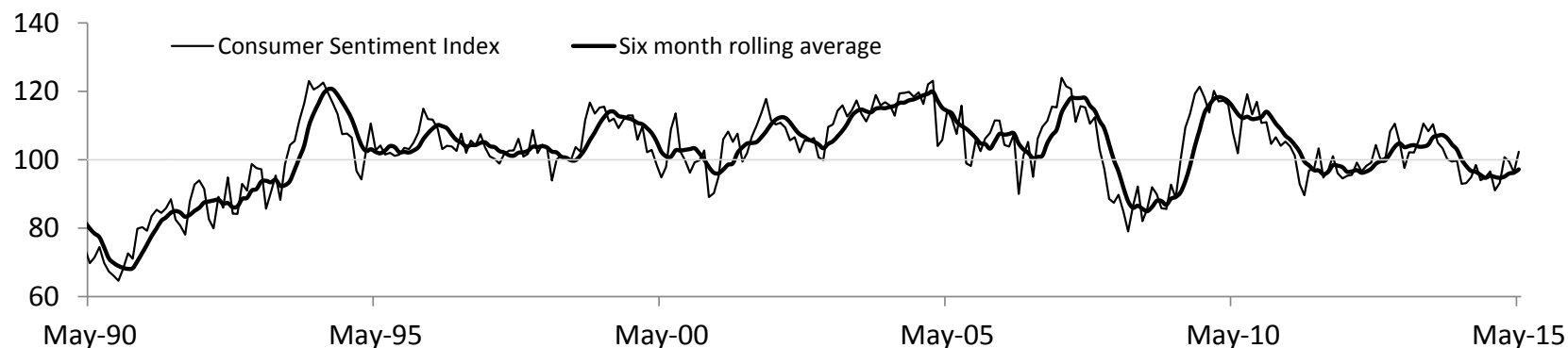
Housing supply: the gap between housing demand and supply is narrowing

Quarterly dwellings approved for construction v quarterly change in population, national

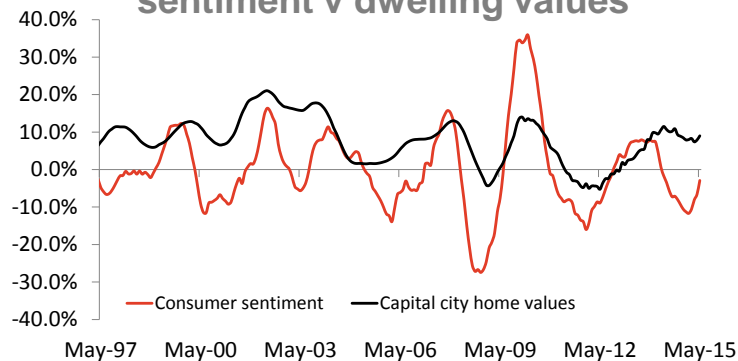


Consumer sentiment rebounds following the Federal Budget and latest interest rate cut

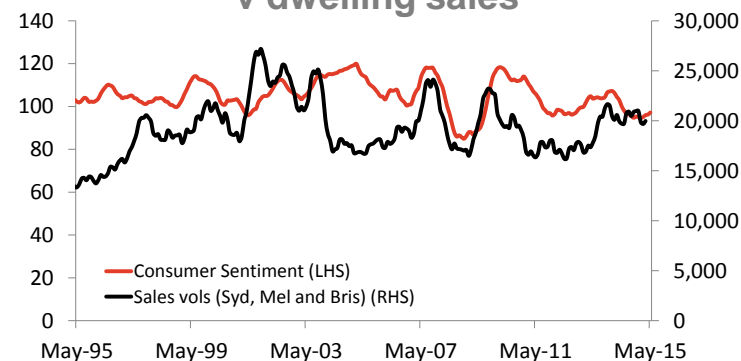
Consumer sentiment index



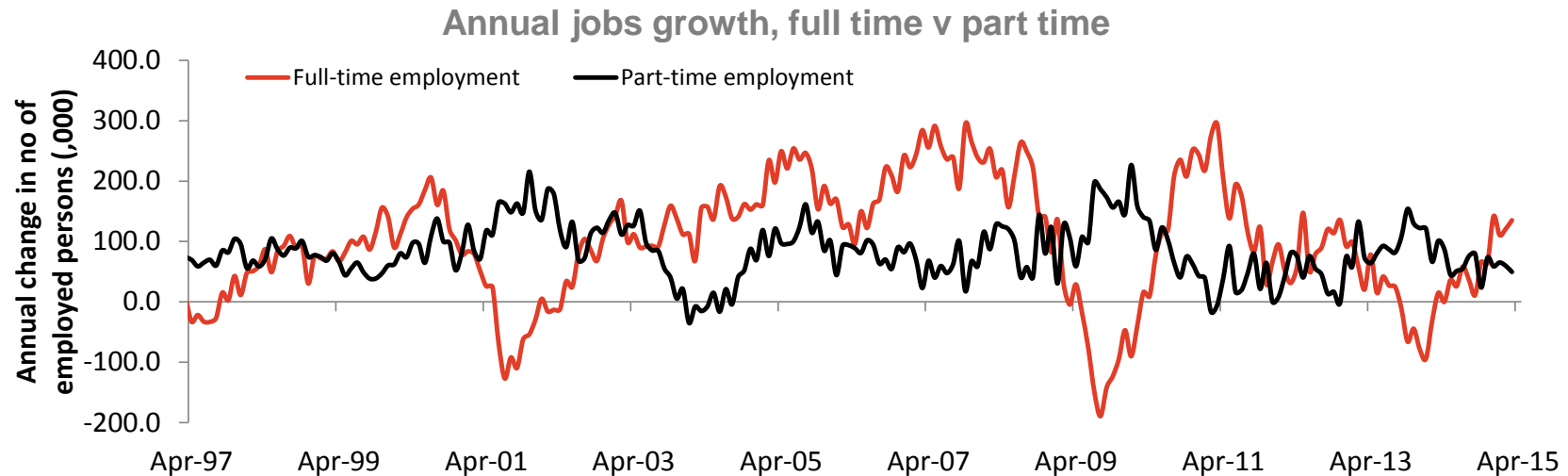
Annual change in consumer sentiment v dwelling values



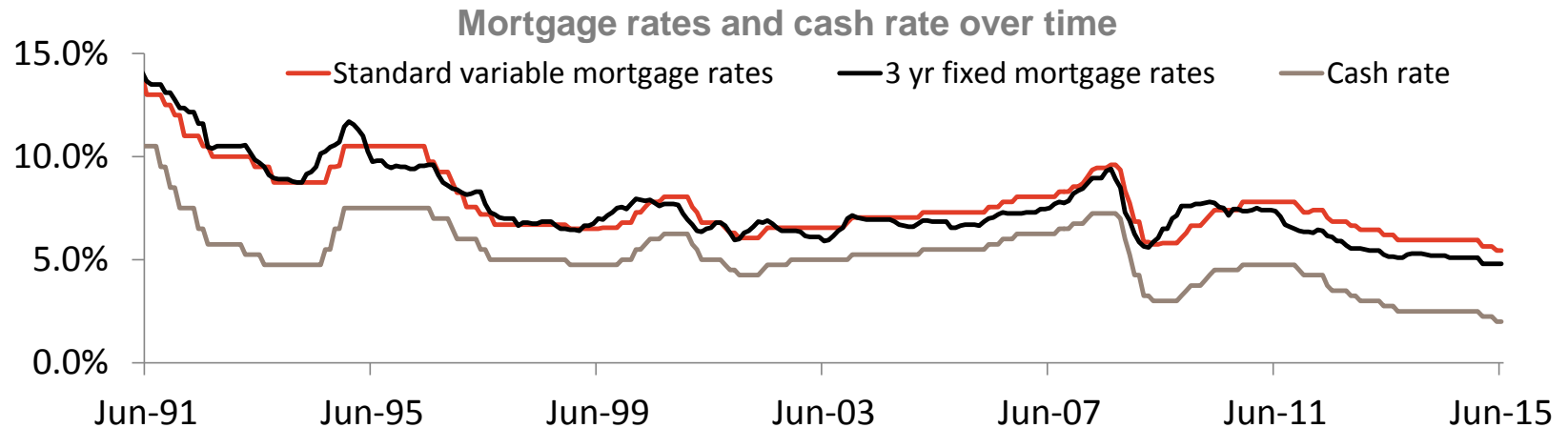
Consumer sentiment v dwelling sales



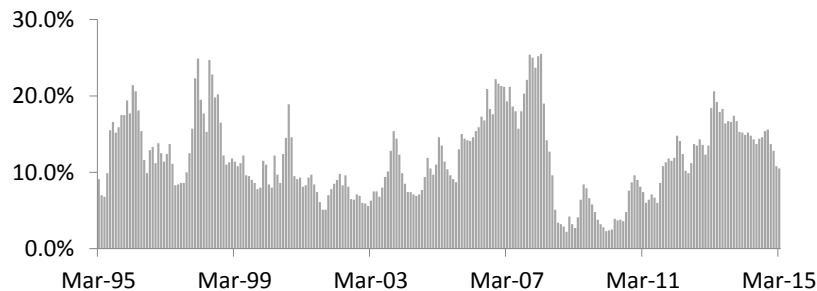
Labour force: full-time jobs growth continues to outpace part-time growth



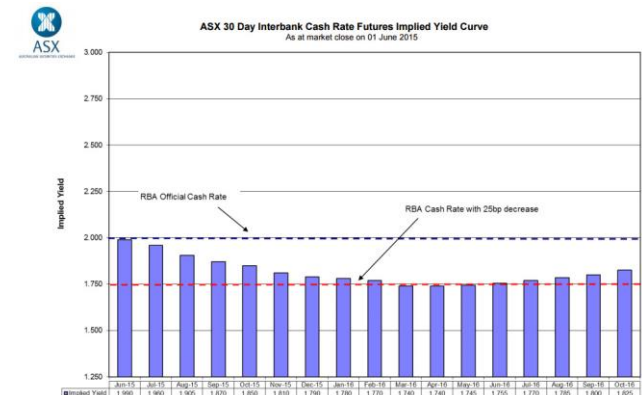
Mortgage rates: The RBA kept interest rates on hold at 2% in June 2015



% of owner occupier loan commitments on fixed rate



ASX cash rate futures implied yield curve



About Us

CoreLogic RP Data is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest data and analytics company in the world with revenues of \$1.3Bn USD from 50,000 business and government customers and over 1 million end users. CoreLogic RP Data provides property information, analytics and services across Australia and New Zealand and is currently developing and growing partnerships throughout Asia.

With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 500 million decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information. With over 11,000 customers and 120,000 end users, CoreLogic RP Data is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, insurance, developers, wealth management and government.

CoreLogic RP Data delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on CoreLogic RP Data to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic RP Data employs over 480 people at nine locations across Australia and in New Zealand. For more information call 1300 734 318 or visit www.corelogic.com.au

CoreLogic RP Data produces an advanced suite of housing market analytics that provides key insights for understanding housing market conditions at a granular geographic level. Granular data is often used for portfolio analysis and benchmarking, risk assessments and understanding development feasibility and market sizing. It gives industry professionals valuable modules which provide essential analytics and insights for decision making and strategy formation within the residential property asset class. We can tailor reports to suit your business requirements.

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Granular Data and Analytics

Market Scorecard: Monitor and measure market share and performance of real estate agents at an individual office or a Franchise brand level across Australia. Identify the competing brands and independents at a suburb, postcode, user defined territory and State level. Easily locate growth opportunities and market hotspots, and view the performance of the established offices in these new areas of interest.

Market Trends: Detailed housing market indicators down to the suburb level, with data in time series or snapshot and segmented across houses, units and land. The Market Trends data includes key housing market metrics such as median prices, median values, transaction volumes, rental statistics, vendor metrics such as average selling time and vendor discounting rates.

CoreLogic RP Data Indices: The suite of CoreLogic RP Data Indices range from simple market measurements such as median prices through to repeat sales indices and our flagship hedonic home value indices. The CoreLogic RP Data Hedonic index has been specifically designed to track the value of a portfolio of properties over time and is relied upon by Australian regulators and industry as the most up to date and accurate measurement of housing market performance.

Economist Pack: A suite of indices and indicators designed specifically for Australian economic commentators who require the most up to date and detailed view of housing market conditions. The economist pack includes the CoreLogic RP Data Hedonic indices for capital cities and 'rest of state' indices, the stratified hedonic index, hedonic total return index, auction clearance rates and median prices.

Investor Concentration Report: Understanding ownership concentrations is an important part of assessing risk. Areas with high investor concentrations are typically allocated higher risk ratings due to the over-representation of a particular segment of the market. Through a series of rules and logic, CoreLogic RP Data has flagged the likely ownership type of every residential property nationally as either owner occupied, investor owned or government owned.

Mortgage Market Trend Report: CoreLogic RP Data is in a unique position to monitor mortgage related housing market activity. Transaction volumes, dwelling values and mortgage related valuation events all comprise our Mortgage market trend report which provides an invaluable tool for mortgage industry benchmarking and strategy.

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**Better data
+ Better analytics
= Better decisions**

